

Division of Community Colleges

Bureau of Adult, Career, and Community College Education

# **Guidelines for Perkins-funded Equipment**

#### March 2012

he lowa Department of Education is providing this guidance document as a resource for public school districts, secondary consortia, and community colleges in the State of Iowa that receive funds through the Carl D. Perkins Career and Technical Education Act of 2006.

The specific intent of the document is to provide information regarding sub-grantee accountability for Perkins-funded equipment.

## **Definitions**

**Equipment** is defined by Education Department General Regulations (EDGAR), Part 80, Section 3, as tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A grantee may use its own definition of equipment provided that definition would include, at a minimum, all equipment as defined above. EDGAR can be accessed via the U.S. Department of Education web site at <a href="http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html">http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html</a>.

The lowa Department of Education (IDE) (grantee) uses a per unit cost threshold of \$500 or more for K-12 Certified Annual Report (CAR) purposes and also includes items with a per unit cost under \$500 which are considered attractive or easily pilfered. "Easily pilfered" items include items such as digital cameras, laptop and tablet computers, DVD or Blu-Ray™ players, and tools. Computer equipment such as CPU, monitor, disk drive, keyboard, and cables purchased as a unit are to be listed and priced as a system. Such purchases may not be listed by individual components to achieve costs of less than \$500. The IDE does not have explicit guidance for community college accounting and reporting; however, the community colleges do have an obligation to account for any capitalized or non-capitalized equipment purchased with Perkins funds.

A sub-grantee (i.e., district, secondary consortium, or community college) may set more restrictive dollar amount limits, but must include, at a minimum, the equipment defined by IDE and federal guidelines.

**Useful life** means the equipment is no longer meeting the needs of the program. Useful life is not defined by the depreciation schedule.



## **Use of Perkins-funded Equipment**

According to EDGAR 80.32(c), equipment shall be used by the grantee or sub-grantee in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a Federal agency.

The grantee or sub-grantee shall also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. For example, if equipment is sitting idle for a short period of time, it can be used by others. Equipment should not be used for evening or adult courses because the useful life of the equipment could be reduced.

## **Inventory Requirements**

Sub-grantees must maintain an inventory record for all Perkins-funded equipment that includes the following items (ref: EDGAR 80.32(4)(d)(1)):

- A description of the equipment.
- A serial number, model number, and/or other identification number.
- The funding source(s) and percentage of the item's acquisition cost covered by the source.
- The acquisition date and unit cost.
- The present location, use condition of the equipment, and date the information was reported.
- All pertinent information on the transfer, replacement, or disposition of the equipment (including the date of disposal and sale price).

A spreadsheet template containing the above listed items is available for download from the lowa Department of Education web site (see *Perkins Grants Programs & Data*).

Additionally, the following guidelines apply:

- The inventory must be updated as equipment items are purged or new purchases are made.
- Equipment items purchased with Perkins funds are to be identified and physically marked as such.
- Adequate safeguards must be in place related to the loss, damage, or theft of the equipment. Any loss, damage, or theft should be investigated and fully documented.
- Adequate maintenance procedures should be implemented to keep the equipment in good condition.
- A physical inventory of equipment items must be taken and the results reconciled with the inventory records at least once every two years. This process should be fully documented, including the person(s) responsible and date of completion.

## **Disposition of Equipment**

EDGAR 80.32 states items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold, or otherwise disposed of with no further obligation to the awarding agency.

The lowa Department of Education requires sub-grantees to adhere to the following guidelines when disposing of Perkins-funded equipment:

- Complete the **Disposition Form** (Attachment A). Keep one copy on file locally and provide one copy to the Department CTE Consultant assigned to the community college region. A copy of this form is available for download from the lowa Department of Education web site (see *Perkins Grants Programs & Data*).
- If part of a secondary Perkins consortium, a member district must first receive approval of the consortium to dispose/sell the item(s). When appropriate, the item(s) should be transferred to another member district. If transferred to another district within the consortium, inventory records must reflect the transfer.
- Records regarding item(s) sold (e.g., date of sale and amount received) must be retained for three (3) years after final disposition (ref: EDGAR 74.53(b)(2)).
- Disposition of items must be reflected in the sub-grantee's inventory.
- At no time may the item(s) be given to instructors, other school personnel, students, or parents.
- At least ten (10) working days prior to sale/auction, a public posting of the item(s) offered for sale must be made.
- The full amount of proceeds received from items sold must be reinvested in career and technical education programs.
- Items which are discarded must be properly disposed.
  - ⇒ Items which are discarded may not be in the possession of school personnel, students, or parents after disposition.
  - ⇒ Electronic items must be properly discarded and/or recycled as appropriate. The Iowa Department of Natural Resources (Iowa DNR) regulates solid and hazardous waste disposal pursuant to the Iowa State Code (ISC) Chapter 455 and Iowa Administrative Code (IAC) Chapter 567.

Notes

# Appendix A

# **Disposition Form**

	(Keep one copy on file locally; submit one co		al Consultant)	
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	ch the equipment was purchased:			
Reason for dispo	osition:			
	rtium policy/reference regarding disposition:	on of equipment:		
Method of dispo	sition:			
☐ Transferred to	o other federal program Progran	n:		
☐ Transferred to	o consortium member district District:		· · · · · · · · · · · · · · · · · · ·	
☐ Traded in	Value received: \$			
☐ Sold at fair m	arket value Amount received: \$			
Explain how t	fair market value was determined:			
☐ Discarded (br	roken/no market value)			
Date of Purchase	Description of Equipment	Manufacturer and Model Number	Inventory Number	Original Cost
·	submitting the form: consortium/community college:			
Purchase  Name of person	submitting the form:	and Model Number	Number	

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If you have questions or grievances related to compliance with this policy by the Iowa Department of Education, please contact the legal counsel for the Iowa Department of Education, Grimes State Office Building, 400 E 14th St, Des Moines IA 50319-0146, telephone number 515/281-5295, or the Director of the Office for Civil Rights, U.S. Department of Education, 111 N. Canal Street, Suite 1053, Chicago, IL 60606-7204.